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SUBJECT: CHINA: GEN. XIONG GUANGKAI TELLS AMBASSADOR 2006  
HAS BEEN "BENCHMARK YEAR" IN UNITED STATES-CHINA RELATIONS

Classified By: Ambassador Clark T. Randt, Jr. Reasons  
1.4 (a/b/d).

Summary

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1. (C) This has been a "benchmark year" for United State-China relations, General Xiong Guangkai, President of the China Institute for International Strategic Studies (CIISS), told the Ambassador. The relationship has developed in a comprehensive manner including advances in military relations and the establishment of the Strategic Economic Dialogue. During a November 28 dinner, Xiong told the Ambassador that he is worried that the United States is not willing to take bigger steps towards improving the military-to-military relationship, citing the 2000 Defense Authorization Act as an impediment to closer cooperation and more substantive contacts. The North Korea nuclear crisis has proved that China is "a country of principles," Xiong declared, emphasizing that the resumption of the Six-Party Talks is an opportunity that should not be squandered. Xiong claimed that in 1994 and in 2000 opportunities to dissuade the North Koreans from pursuing a nuclear program were lost. North Korea's nuclear weapons program is based on plutonium and according to Xiong, Pyongyang is years away from using enriched uranium in its weapons program. Major General Gong Xianfu, Vice Chairman of CIISS, expressed his opinion that Iran is taking a tougher position on its nuclear program in the wake of recent events that he believes have demonstrated to Tehran that it has a larger regional influence and role to play. End Summary.

Benchmark Year in United States-China Relations

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2. (C) While the United States and Chinese Governments are not in complete agreement, both governments emphasize the development of cooperative, constructive relations between the two countries, General Xiong Guangkai told the Ambassador during a November 28 dinner hosted by Xiong and his CIISS colleagues. In the past, both countries adhered to the "three C's" principle of building a candid, cooperative and constructive relationship. This year a fourth "C" has been added, the relationship is now also comprehensive. Xiong said this has been a "benchmark" year because even relations in the defense field have

advanced. The decision to start the Strategic Economic Dialogue (SED) is also an indication that the relationship is taking on strategic importance because it establishes a broad working-level dialogue mechanism, Xiong said. The Ambassador responded that the upcoming inaugural meeting is unprecedented. Never before have so many cabinet-level United States officials traveled at the same time to China to hold talks. Xiong confided that unlike other unidentified academics, he does not believe United States-China relations will be hurt by the outcome of the mid-term elections since it is clear under the Constitution that the President is responsible for foreign policy decisions.

#### China Still Sees Obstacles in Military Relations

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13. (C) The numerous visits and the joint naval exercise between the United States and Chinese militaries are all signs of improving military friendship, Xiong stated. The two countries should maintain high-level contacts in all areas of defense and these contacts need to be substantive. Xiong said he is worried, however, by what he claims is the reluctance of the United States to make "big strides" toward engaging the Peoples' Liberation Army (PLA). Pointing to the United States' 2000 Defense Authorization Act, Xiong claimed that the United States restricts contact between the two militaries in 12 areas, including logistics. The PLA intended to send a delegation to the United States in 2006 to develop more substantive contacts and to discuss the

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outsourcing of military support services, but due to the Defense Authorization Act, the Chinese delegation was not able to visit. Xiong derisively quipped that "outsourcing of support services is no secret." The Ambassador emphasized to Xiong that there is much the two militaries can still do within the parameters permitted by the Defense Authorization Act that has yet to be done and added that the planned visit of the PLA's Second Artillery Commander to the United States in March will be an important visit.

#### New Opportunity to Resolve North Korea Nuclear Problem

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14. (C) Cooperation in addressing the ongoing North Korean nuclear problem "proves that China is a country of principles," Xiong declared. The PRC is opposed to the North Korea possessing nuclear weapons and stands against the proliferation of nuclear weapons worldwide. Xiong pointed out that UNSCR 1718 uses the term "condemnation" to decry North Korea's nuclear test, noting that it was difficult for Beijing to agree to use such strong language in reference to its neighbor. Xiong assesses the willingness of Pyongyang and Washington to restart the Six-Party Talks despite the nuclear test and financial sanctions as a positive sign and a good opportunity to find a resolution to the impasse. Xiong argued that if the September 2005 Joint Statement can be implemented and the United States provides a security guarantee and economic assistance then it will be possible for North Korea to abandon its weapons. Xiong asserted that North Korea does not want atom bombs but rather potatoes, arguing that the biggest threat to North Korean national security is economic hardship. Beijing is never overly optimistic about a breakthrough with the North Korea and realizes that results will only be won through hard effort. Xiong said that Beijing is not afraid of very slow progress but is worried about a dangerous stand-still. The Ambassador reminded Xiong that the United States is but one of the five non-

North Korean parties to the Talks and that these parties have been engaging North Korea on its nuclear program for a long time with very little to show for it.

#### Lost Opportunities to Resolve North Korea Nuclear Issue

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15. (C) Noting that he has visited Pyongyang three times, Xiong claimed to have met both Kim Il-Sung and Kim Jong-Il. His first visit took place in 1994, the year Kim Il-Sung died. Xiong argued that with Kim's death there was a "lost opportunity" for solving the nuclear issue. Kim Il-Sung wanted to open to the outside world and liberalize the economy but his death had a negative impact on the implementation of the 1994 Framework Agreement. Xiong also cites then-Secretary Albright's 2000 visit to Pyongyang as a

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missed opportunity. At the time of her visit, Xiong accompanied then-Chinese Defense Minister Chi Haotian to Pyongyang. Xiong asserted that Chi was accorded the same level of protocol as Secretary Albright. Xiong claimed that after Secretary Albright met with Kim Jong-Il, he and Chi Haotian met with Kim. They were even given the same "grand performance" in the Workers Stadium that Secretary Albright received. Without further details, Xiong claimed that this was another missed opportunity to improve relations with North Korea.

#### Kim Jong-Il Misunderstood

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16. (C) In response to the Ambassador's question, Xiong said that Kim Jong-il, like his father, wants to open his country to the outside world to improve its economy but at the same time will increase internal controls. Kim Jong-Il will not give up his hold on ideology and the military. The West and China disagree with Kim on many issues but Kim is a "quick-minded person," according to Xiong. The differences

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between Kim and other leaders is "a difference of interests not a difference of thinking ability," Xiong stated, adding that Kim will safeguard the interests of his country. Xiong insisted that Kim is in firm control of the NORTH KOREA military, having built his influence over a long period of time.

#### North Korea's Plutonium is Plentiful

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17. (C) In response to another query from the Ambassador, Xiong stated that at the time of the signing of the 1994 Framework Agreement, Beijing was aware that the North Korea was working on a plutonium-based weapons program. Twelve years ago, Pyongyang had only a "very limited amount" of plutonium but now has an unlimited amount, Xiong said, adding that he believes North Korea's nuclear test was a plutonium bomb. He claimed that the North Korea is "very far away from making a uranium bomb."

#### Iran Toughening Its Position

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18. (C) Major General Gong Xianfu, former Defense Attache to the Chinese Embassy in Washington and Iran, asserted that Tehran is adopting a harder position on its nuclear program. Recent developments, including the perceived United States difficulties in Iraq, the ongoing Israel-Lebanon conflict, the North Korea

nuclear test and perceived differences between the United States and its allies on how to approach the Iran nuclear issue are reinforcing Iranian "hardliner" views that Iran has a larger role to play in regional affairs and more flexibility to oppose United Nations Security Council sanctions.

BIO NOTE: Xiong Still Working Hard  
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¶9. (C) Xiong repeatedly pointed out to the Ambassador that he is still a full General in the service of the PLA. While no longer Deputy Chief of the General Staff, Xiong is President of CIISS, and in this capacity he claims to influence the strategic thinking of academics and policy makers in both China and the United States. Xiong said the current focus of the CIISS is United States-China relations. Over the next year, CIISS will conduct in depth research on how to build and ensure that the two countries have stable relations in the future. Based on frequent exchanges with United States' China experts and former policy makers, Xiong contends that his institute plays a positive role in enhancing the strategic understanding of both countries. Xiong told the Ambassador repeatedly that he is still working full time and is "always on the go." Xiong said that in 2006 he met at least once a month with United States academics.

¶10. (C) The following biographic information on Chinese participants at the dinner was provided by CIISS:

Major General Gong Xianfu joined the PLA in 1960 and served successfully as interpreter of the Ministry of National Defense and the Defense Attache's Office of the Chinese Embassy in France, staff officer of MND, Deputy Defense Attache of the Chinese Embassy in Iran, Deputy Chief of Staff of a division, Deputy Chief of Division in MND, the Defense Attache of the Chinese Embassy in Iran, student at the National Defense University, Deputy Chief and Chief of Bureau of MND, and Defense Attache of the Chinese Embassy in the United States. He has been Vice Chairman of CIISS since 2001.

Dr. Chen Wei joined the PLA in 1980 and served as staff member of the Chinese Embassy in India from 1994 to 1996. He received his Ph.D. from the Department of International Politics from Fudan University in ¶1999. He has served as a research fellow at CIISS since 1999. Dr. Chen was named Executive Director and Research Fellow to CIIS in 2005.

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Major General Miao Pengsheng was born in Jiangsu Province in 1946. He joined the PLA in July 1969 after graduating from university and has since served as staff officer, deputy section chief and section chief of MND. In December 1987, he was transferred as a researcher in the Taiwan Affairs Office of the State Council of China and the Hong Kong branch of Xinhua News Agency. In August 1998, he joined the PLA again and served as division chief of MND. In March 2002, he was posted as Defense Attache to the Chinese Embassy in the United Kingdom. In December 2004, he returned to Beijing and was appointed Secretary General of CIISS. He is married to Jiang Shujun and they have a daughter. His interests include reading and traveling.  
Randt